Ex. 30

BIPARTITE CONTROL OFFICE
U. S. DECARTELIZATION ELEMENT
FRANKFURT (MAIN) GERMANY
APO 757

13 December 1948

MEMORANDUM

SUBJECT: Transmittal of Memoranda Dealing with Winning German Support for the Decartelization Program

TO: Mr. Kearney

THRU: Mr. Bronson, Chief

Attached are some memoranda which I promised to transmit to you this morning. The language used in all these exchanges is vigorous but not vindictive; it merely reflects honest differences of opinion on the part of sincere men in the Branch on matters each believed to be vital. My position was believed to be wrong by the old Anti-trust Division men, particularly Mr. Avery and Mr. Coleman and they attacked it. I responded with equal vigor.

The writer felt keenly on this question of rallying support of German opinion and press behind our program because he believed that any lasting benefits would have to be based solidly on support from the great mass of German people. In 1946 and again in 1947 he had given a series of lectures at the University of Marburg on the American free enterprise, democratic-capitalist economic system; in the summer of 1947 he had given a series of 24 lectures at the University of Frankfurt; night after night he had lectured to the Germans in Berlin in all sectors except the Soviet, and he had given other lectures out over the U.S. Zone. He had written and published in the German press wherever possible. In most places he had had to try to defend the program of the Branch against hostile questioners. He believed he had some knowledge of this problem. He felt that the Branch could and should put up a better front before the public, both German and Allied, than it had previously. Yet the very men who opposed his position on these matters were rather frequently bringing up the question of the necessity for "educating" the Germans and getting the support of the German people and press behind our program. That accounts for some of the vigor.

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The memorandum of 10 September 1947 led directly and very quickly to the intra-Branch controversy on deconcentration policy. Consequently I am attaching the memos dated September 18, 19, 22 and 24, 1947. Mr. Hawkins, then Chief of the Branch, leaned toward Policy Alternative No. 1, and the controversy started at once. I felt I had written enough memoranda on this issue by September 25th so my only response to Mr. Coleman's comments are found typed in boxes in the margins of the attached copy of his 24 September memorandum.

I have no apology to make. I believed my policy positions were sound then and I think they are sound now. I hope we can discuss these matters again. I should like to have the benefit of your views.

Charles A. Dilley

CHARLES A. DILLEY
Asst. Chief for Deconcentration

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